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ABSTRACT

Although the Workforce Reinvestment and Adult Education Act contains several provisions that move the Workforce Investment Act (WIA) program in the right direction, it fails to respond to the needs of Latino workers and job seekers in a meaningful way. Although WIA's stated purpose aims to serve all populations, implementation of the new system has been particularly problematic for Latino, immigrant, and limited-English proficient (LEP) workers for the following reasons: (1) sequential "eligibility" has limited access to training; (2) WIA's performance measure create a disincentive to serve persons who face obstacles to employment; (3) WIA does not provide flexibility in funding and operating programs that effectively serve LEP persons; (4) the current adult basic education funding formula is not proportional to the actual population utilizing services; and (5) community-based organizations (CBOs) are shut out of the WIA system. As the Senate develops legislation to reauthorize WIA, the following priorities must be considered to ensure that the needs of the nation's Latino workers are addressed: (1) expand access to training; (2) eliminate barriers to serving LEP and other populations; (3) promote programs that integrate occupational training and English-as-a-second-language instruction; (4) improve services for LEP persons; and (5) involve CBOs. (Contains 11 endnotes.) (MN)

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WORKFORCE INVESTMENT ACT (WIA) REAUTHORIZATION: BUILDING A BETTER JOB TRAINING SYSTEM FOR HISPANIC WORKERS

by Sean Thomas-Breitfeld and Sue Liu*

INTRODUCTION

In May 2003 the U.S. House of Representatives passed legislation reauthorizing the Workforce Investment Act (WIA) – the largest source of federal funding for employment and training programs, including job training, adult basic education, and English-as-a-Second-Language (ESL) instruction. The *Workforce Reinvestment and Adult Education Act* (H.R. 1261) contains several provisions that move the WIA program in the right direction. However, taken as a whole, the legislation fails to respond to the needs of Latino workers and job seekers in a meaningful way.

On May 6, 2003, Representative Hilda Solis (D-CA) introduced H.R. 1992, the *Expand Access to Training for English Language Learners Act.* This bill proposed modest changes that would ensure meaningful impact and increased access for limited-English-proficient (LEP) persons. Elements of Representative Solis' bill include ensuring that programs and research focused on LEP persons are eligible for demonstration and research funding, facilitating the creation of versatile tools to assess LEP persons, and requiring states to include a description in their plans of how LEP individuals would be served in the Adult Education system. While many of the issues addressed by H.R. 1992 were not incorporated into H.R. 1261, Representative Solis' bill has brought to light the concerns and needs of many Latino workers facing language barriers.

In line with Rep. Solis' championship of LEP issues in the House, Senators Hillary Rodham Clinton (D-NY), John Ensign (R-NV) and Jeff Bingaman (D-NM) introduced S. 1543, the *Access to Employment and English Acquisition Act.* Similar to the Solis bill, S. 1543 proposes meaningful changes to help workforce systems better serve LEP persons. For example, S. 1543 creates incentive grants for states that do an exemplary job in serving special participant populations (individuals with substantial language or cultural barriers are included in current law's definition of special participant populations), strengthens language to ensure community-based organizations with a proven track record will have equal footing to compete for federal

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funding, and ensures that levels of English proficiency is taken into consideration when states negotiate adjusted levels of performance measures with the Department of Labor.

As the debate unfolds in the U.S. Senate, proposals to reauthorize WIA should take cues from H.R. 1992 and S. 1543 in meeting the multifaceted needs of America's Latino, immigrant, and LEP workers. Taking into consideration the unique challenges of Latino workers will positively impact states and cities across the nation, given that data show that Latinos are an integral part of the labor market, economy, and workforce. By creating meaningful access to WIA-funded skills training and English acquisition services, immigrants, who are now over 50%[1] of the new civilian workforce, will have greater opportunities for higher-wage employment. Increasing skills training and opportunities for Latinos will improve the economic sufficiency of Latino families, the states in which they live, and the nation as a whole.

BACKGROUND

While Latinos have the highest labor force participation rate in the U.S. (68.7% for Hispanics compared to a national average of 66.4%)[2], working-age Latinos tend to face significant barriers to obtaining employment in jobs that pay a living wage and lack genuine opportunities for advancement. For instance, Latinos and immigrants have lower levels of educational attainment than similarly-aged Whites and Blacks. More than two in five of both U.S. born Latinos (43.0%) and Latino immigrants (40.4%) are not high school graduates, compared to only 15.9% of the total population, and 11.3% and 20.8% of Whites and Blacks, respectively.[3] Also, data reveal a wide disparity in median income based upon educational attainment. The median income for Latino workers without a high school diploma ($13,252) is roughly $4,000 less than that of similar workers who graduated from high school ($17,483).[4]

In addition, limited proficiency in English poses a significant and unique barrier for many Latinos. For instance, 55.1% of the working-age (18 to 64 years old) Latino population (U.S. and foreign born) speaks English less than "very well."[5] This proportion is even higher for immigrants; 71.9% of all foreign-born Spanish-speakers are LEP.[6] A lack of proficiency in English compounds the existing problem of poverty and low-wages among Latino workers.[7] Research shows that English fluency, independent of vocational qualifications, corresponds to earnings that are 24% higher than for those who lack fluency in oral and written English.[8]

Limited educational attainment and proficiency in English have made Latino workers particularly vulnerable to fluctuations in the economy. Since March 2001, when the recession began, the number of unemployed Hispanics has increased by more than a half million. In fact, the Latino unemployment rate has remained roughly two percentage points higher than the national average and spiked to above 8% during the second quarter of 2003.[9] This sensitivity to labor market conditions is due, in part, to the concentration of Latinos in industries and occupations that were particularly hard hit by the recession. For instance, early indications of the economic downturn were first evident in the manufacturing industry, which employs nearly one in six (15.9%) Latino workers. In addition, Latinos are concentrated in industries that tend to have

highly cyclical rates of employment, such as the wholesale and retail trade industry, which is the second-largest employer of Latinos, employing 23.3% of Latino workers.[18]

Given these factors, and because over half of the new civilian workforce consists of immigrant workers, it is clear that policy-makers interested in this nation's economy must improve its workforce development system to better serve the needs of Latinos, immigrants, and LEP workers.

Implementation of the Workforce Investment Act

The Workforce Investment Act was signed into law on August 7, 1998 and authorized through September 30, 2003. WIA replaced the Job Training Partnership Act (JTPA) as the law directing employment and training funds from the U.S. Departments of Labor and Education to the state and local employment systems. The stated purpose of the law was to "increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation." Unfortunately, program 2001 data indicate that only 5%, or 6,979 of limited-English-proficient persons received training under WIA. While WIA's stated purpose aims to serve all populations, implementation of the new system has been problematic and, in particular, services for Latino, immigrant, and LEP workers have been limited for the following reasons:

- **"Sequential eligibility" has limited access to training.** WIA has been interpreted and implemented as a "work first" system. In particular, the sequence of services (core, followed by intensive and training) has made training a last resort. Current law states that funds may be used to provide intensive services to individuals who are "unable to obtain employment through core services" and then bases eligibility for training services upon a job seeker having been unable to obtain employment through intensive services. In practice, WIA's sequential service structure has prevented Latino job seekers from enrolling in training services, thus becoming an obstacle to those who need to improve their skills in order to secure jobs that pay a living wage.
- **WIA's performance measures create a disincentive to serve persons who face obstacles to employment.** The current performance indicators for employment and training activities are rigid and focused on getting participants through the system as quickly as possible. To meet WIA's performance measures, many providers "cream" the best individuals (i.e., the individuals most likely to get and retain a job) for training services. As a consequence, limited-English-proficient persons and others deemed as having greater barriers to employment are offered the more limited core services and shut out of the training system.
- **WIA does not provide flexibility in funding and operating programs that effectively serve LEP persons.** Extensive research has been conducted on the benefits of integrating skills training and English language instruction for limited-English-proficient persons. Programs that integrate skills training and language acquisition have demonstrated remarkable employment and career mobility outcomes.

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Unfortunately, integrated programs are often funded outside of the WIA system because the training and English acquisition components are out of different departmental jurisdictions, and under the current law providers of programs funded from both titles must file two separate sets of paperwork and performance measures and work with separate funding entities. Additionally, integrated programs are not designated in the list of eligible research, demonstration, or pilot project options in current law.

- **The current adult basic education funding formula is not proportional to actual population utilizing services.** Under current law, LEP persons are not considered in the distribution of adult basic education (ABE) funds – even though they are enrolled in ABE programs such as English-as-a-Second-Language. As a result, states with large numbers of LEP persons (e.g., Illinois and New York) or states with high growth of LEP persons (e.g., North Carolina and Tennessee) are challenged in addressing a demand that is not accounted for in current funding.
- **Community-based organizations (CBOs) are shut out of the WIA system.** Many Latino CBOs provide a wide range of linguistically and culturally appropriate services, such as ESL and other adult literacy instruction. Such services are critical to improving the employability of LEP persons and other Latinos with limited training. Many CBOs have culturally and linguistically knowledgeable staff and are often more accessible to immigrants with lower English proficiency than other local agencies. However, CBO programs do not have adequate access to funding from Title II of WIA, which is the major funding source for adult basic education and ESL. For instance, a survey of CBOs affiliated with the National Council of La Raza indicated that the majority of clients served by CBOs do not access the federally-funded workforce system.[11]

Legislative Developments in the House

The House of Representatives passed H.R. 1261, the *Workforce Reinvestment and Adult Education Act*, on May 8, 2003 by a vote of 220 to 204, largely along party lines. The bill includes a number of provisions that represent a step forward in addressing the needs of Latino and LEP workers. For instance, H.R. 1261 attempts to address the "work-first" nature of WIA by allowing job seekers to enroll directly in training programs if they are "unlikely or unable" to obtain employment through core services. In addition, the bill includes several provisions that appear to be directly aimed at improving the WIA program for LEP persons. Specifically, H.R. 1261:

- Includes limited proficiency in English as a performance measure for determining the effectiveness of states in delivering WIA services.
- Awards bonus grants to states based on their performance in serving "special populations," which could include LEP persons if defined in the same way as "special participant population," a term currently used in WIA.
- Establishes "assisting immigrants who are not proficient in English" as a purpose of the *Adult Education and Family Literacy Act*, Title II of WIA.

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- Provides technical assistance to English language acquisition programs funded by the Department of Education to "enhance the quality of adult education and literacy programs nationwide."
- Strengthens access for CBOs to funding by requiring states to indicate in their state plan how they will ensure direct and equitable access for providers, including how the skills of CBOs will be increased.

While H.R. 1261 represents an important first step toward addressing the needs of Latino and LEP job seekers and workers more effectively than current law, the spring legislation still falls short in critical areas. In particular:

- The provision aimed at improving access to training loosens the sequence of eligibility; however, it still bases eligibility on employment outcomes, thus maintaining the work-first emphasis. While Latino and LEP job seekers might be able to find employment with little advancement opportunities and low wages, such jobs do not help Latino and LEP workers gain the skills needed to obtain careers that pay a living wage or to gain upward mobility.
- H.R. 1261 also includes a proposal to combine adult, dislocated, and Wagner-Peyser funding streams, which would ignore the distinct circumstances of different types of job seekers, and would ultimately limit services for all job seekers, unnecessarily pitting different groups of job seekers against each other due to the consolidation of services.

Therefore, despite the provisions that could result in improvements for English language learners, H.R. 1261, taken as a whole, does not adequately meet the needs of Latino, immigrant, and LEP persons.

Addressing the Challenges of Latino Workers in the Senate

The House of Representatives passed H.R. 1261 under an aggressive timeline. As a result, lawmakers had few opportunities to consider recommendations to ensure that Latinos are adequately and effectively served. The Senate, on the other hand, has the opportunity to build on the successes of WIA and address the weaknesses of the workforce development and adult education system. As legislation to reauthorize WIA is developed in the Senate, the following priorities are key to ensuring that WIA reauthorization effectively addresses the needs of the nation's Latino workers:

- **Expand access to training.** Legislation must build on the increased flexibility in H.R. 1261 by eliminating the sequence of services and allowing job seekers to select the most appropriate type of service that best meets their needs.
- **Eliminate barriers to serving LEP and other populations.** While H.R. 1261 adjusts performance measures to take into consideration low levels of English proficiency, the Senate must also take into consideration flexible performance measures in the area of efficiency, such as cost-per-placement outcomes. Maintaining the rigid efficiency outcomes will make it difficult for providers to serve job seekers, such as LEP persons and others with lower education levels, who may require additional instruction and services.

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- **Promote programs that integrate occupational training and English-as-a-Second-Language instruction.** LEP job seekers need improved literacy and job skills in order to be competitive candidates for employment. Programs that combine training and English acquisition have outstanding results for LEP persons. Legislation to reauthorize WIA should clarify that English language instruction counts as both intensive and training activities, and create incentives for the integration of occupational training and English literacy.
- **Improve services for LEP persons.** The current list of eligible demonstration and research projects should be expanded to include the integration of occupational training and language acquisition, as well as targeted research of programs that serve LEP populations. Also, states should outline in their state plans how they intend to serve individuals with multiple barriers to employment, including LEP persons. Finally, in order for states with large numbers of Latinos and LEP persons or high rates of growth in their LEP populations to meet the demand for English language assistance, the adult basic education funding formula should be amended to consider the number and percentage growth of the LEP populations of each state.
- **Involve community-based organizations (CBOs).** Access to funding for eligible CBOs providing adult literacy services must be expanded. Current "direct and equitable access" provisions in WIA should be strengthened to ensure all eligible providers have equal opportunities to compete, apply, and win proposals to provide adult literacy services to communities with LEP populations.

Latinos continue to rank job training, jobs, and the status of the economy as key issues in nationwide polls and surveys. But the vital importance of work and job opportunity to Hispanics and immigrants is reflected more concretely in the raw numbers of these workers entering the job markets. Legislative measures that enhance the effort exhibited by these workers will pay substantial dividends to the communities in which they reside.

WIA comes at a critical time for the nation's workers. Many Latinos are facing difficulties moving up the economic ladder and obtaining good-paying jobs despite their genuine desire to do so. While some Latino workers face many of the same obstacles that hinder the employability of low-income workers in general, such as low educational attainment, uneven work experience, child care duties, and limited access to transportation, such barriers are further complicated by limited proficiency in English.

It is now up to the Senate to provide leadership and work in a bipartisan manner to support and develop sound legislation such as S. 1543. In doing so, the Senate will ensure access to high quality and useful training services for the new workforce. Senators should join the list of current champions, which includes Senator Hillary Clinton, Senator John Ensign, Senator Jeff Bingaman, Representative Ruben Hinojosa, and Representative Hilda Solis, and fight for WIA reauthorization measures that will increase the economic mobility of all workers and fuel the economic well-being of this nation.

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3. U.S. Census Bureau, Current Population Survey: Table 10. Educational Attainment of People 25 Years and Over, by Nativity and Period of Entry, Age, Sex, Race, and Hispanic Origin: March 2002.

4. U.S. Census Bureau, Current Population Survey: Table 8. Income in 2001 by Educational Attainment of People 18 Years Old and Over, by Age, Sex, Race, and Hispanic Origin: March 2002, http://www.census.gov/population/socdemo/education/ppl-169/tab10.pdf.

5. U.S. Census Bureau, Census 2000 Summary File 3: PCT62H. Age by Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over (Hispanic or Latino). Percentages calculated by the National Council of La Raza.

6. U.S. Census Bureau, Census 2000 Summary File 3: PCT12. Nativity by Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over. Percentages calculated by the National Council of La Raza.

7. Hispanic full-time workers are significantly more likely to be poor (6.5%) than their White (1.7%) and Black (4.4%) counterparts. Furthermore, the median income for Hispanic workers ($19,651) is significantly below that of White and Black workers ($30,622 and $23,453, respectively). For more information on poverty and income data and related factors, see: U.S. Census Bureau, Current Population Reports, P60-218, *Money Income in the United States*: 2001, and P60-219, *Poverty in the United States*: 2001, Washington, DC: U.S. Government Printing Office, 2002; and Pérez, Sonia M. (ed.), *Moving Up the Economic Ladder: Latino Workers and the Nation's Future Prosperity*, Washington, DC: National Council of La Raza, 2000.

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10. U.S. Department of Labor, Bureau of Labor Statistics, 2001 Annual Average Data: Table 18. Employed Persons by Detailed Industry, Sex, Race, and Hispanic Origin. Percentages calculated by the National Council of La Raza.

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